

**BILL #** SB 1111

**TITLE:** foster care; age limit; extension

**SPONSOR:** Landrum Taylor

**STATUS:** As Introduced

**PREPARED BY:** Eric Jorgensen

## **FISCAL ANALYSIS**

### **Description**

This bill changes the definition of foster child to include children in state care until age 21. Under current law, when a foster child reaches age 18, they “age-out” of the foster system. This bill allows foster children who reach the age of 18 to remain in the system until they reach their 21<sup>st</sup> birthday. Licensed foster placements receive a payment and all placements receive case management services.

### **Estimated Impact**

The actual cost of the bill depends on participation rates, which are difficult to project in advance. Under full participation, the General Fund cost of extending these services could be \$9.3 million in FY 2008 and \$28.0 million annually by FY 2010; however, participation is likely to be less than 100%. At a more likely rate of 50% participation, this bill is estimated to have a General Fund cost of \$4.6 million in FY 2008 and \$14 million annually by FY 2010.

The Department of Economic Security (DES) does not have an estimate of the cost of this bill.

### **Analysis**

On average, placement in a licensed foster or group home represents the largest expense for foster children. In FY 2006, the average monthly placement cost in the Child Protective Services (CPS) system was \$825, or \$9,900 annually. Foster children can also receive a variety of non-residential services. The average cost of non-residential services was \$310 per month, or \$3,720 annually per client. The total average annual cost of foster placement and services was \$13,620. While about 70% of current cases are eligible for federal matching monies, the federal system generally only covers children to age 18. Therefore, the cost of the extension would be borne by the state.

Based on recent DES reports, around 500 children age-out of foster care each year. Since this bill allows services to clients for 3 years past the current age-out limit, the total potential caseload would be about 1,500 clients.

As this bill changes the definition of a foster child, it would open the current system to a return of foster children who have already aged-out, but are not yet 21. If all these former foster children participate, the cost could be around \$20.4 million for placement and non-residential services. Additionally, this would increase the need for case managers. Currently, there are about 21 out-of-home cases per authorized caseworker. Assuming about 1,500 additional cases, this would require 71 additional caseworkers, at a cost of \$7.6 million. Thus, under full participation, the total cost would be about \$28.0 million.

Participation may also be lower in the first three years. Many of these former foster children are in new living arrangements, and their former living arrangements may be unavailable. Therefore, participation may be less for those who have already aged-out compared to those who will become eligible to remain in their current placements as they turn 18. To reflect this, a phased-in approach is assumed with only clients who aged-out in the past year re-entering foster care. As a result, under full participation, the General Fund cost would be \$9.3 million in FY 2008, growing to \$28.0 million by FY 2010.

There are also other reasons to believe that ongoing participation would be less than 100%. This would be a voluntary program, as the foster children will have reached the age of majority. It is difficult to estimate how many of those eligible would choose to remain in foster care. In Arizona, as in most states, stipends are offered to former foster youth who have aged out of the system until age 21. The average monthly caseload for FY 2006 was 263, or 17.5% of the estimated aged-out population. When California estimated the impact of a similar bill, they estimated that 1/3 of the aging-out population would participate. This was based on anecdotal accounts and input from the foster care community. If we take an estimate of 50%

participation, the cost would be \$4.7 million in FY 2008, reflecting a return of youth who aged-out in the past year, and grow to \$14.0 million by FY 2010.

**Local Government Impact**

None.

2/7/07